

Adopted	Rejected
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## COMMITTEE REPORT

YES:	24
NO:	0

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1097, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1       Page 1, between the enacting clause and line 1, begin a new
- 2       paragraph and insert:
- 3       "SECTION 1. IC 6-1.1-1-11 IS AMENDED TO READ AS
- 4       FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 11. (a) Subject to
- 5       the limitation contained in subsection (b), "personal property" means:
- 6       (1) nursery stock that has been severed from the ground;
- 7       (2) florists' stock of growing crops which are ready for sale as pot
- 8       plants on benches;
- 9       (3) billboards and other advertising devices which are located on
- 10      real property that is not owned by the owner of the devices;
- 11      (4) motor vehicles, mobile houses, airplanes, boats not subject to
- 12      the boat excise tax under IC 6-6-11, and trailers not subject to the
- 13      trailer tax under IC 6-6-5;
- 14      (5) foundations (other than foundations which support a building
- 15      or structure) on which machinery or equipment is installed; and

- 1 (6) all other tangible property (other than real property) which is  
 2 being:  
 3 (A) held for sale in the ordinary course of a trade or business;  
 4 (B) held, used, or consumed in connection with the production  
 5 of income; or  
 6 (C) held as an investment.
- 7 (b) Personal property does not include **the following**:  
 8 (1) Commercially planted and growing crops while they are in the  
 9 ground.  
 10 (2) **Computer application software.**"
- 11 Page 2, line 7, after "computer" insert "**application**".  
 12 Page 2, line 7, delete ";" and insert ", **for the purpose of deducting**  
 13 **the value of computer application software from the acquisition**  
 14 **cost of tangible personal property whenever the value of the**  
 15 **tangible personal property that is recorded on the taxpayer's books**  
 16 **and records reflects the value of the computer application**  
 17 **software;**".
- 18 Page 2, line 16, delete "Except as provided in subsection (e), with"  
 19 and insert "With".
- 20 Page 2, delete lines 20 through 21.
- 21 Page 2, line 22, after "2006]" insert "**IC 6-1.1-1-11 and**".
- 22 Page 2 line 22, after "IC 6-1.1-31-7," insert "**both**".
- 23 Page 2, line 23, delete "applies" and insert "**apply**".
- 24 Renumber all SECTIONS consecutively.  
 (Reference is to HB 1097 as introduced.)

**and when so amended that said bill do pass.**

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Representative Espich